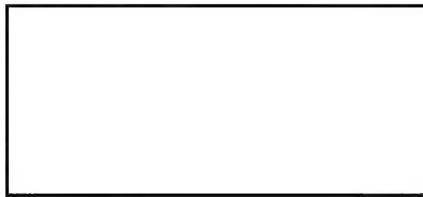


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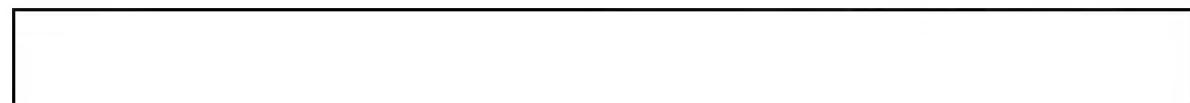
CENTRAL

INTELLIGENCE

BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

W 10
South Korea: There are indications that a rift may be developing between acting Chief of State Huh Chung and Defense Minister Yi Chong-chan because of Huh's failure to consult the entire cabinet before acting on various matters, including Rhee's departure from the country and the appointment of the new ambassador to the US. Yi reportedly is moving to consolidate his control of the army, and apparently has support from some cabinet members in his dispute with Huh.

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OK
Laos: The new Somsanith cabinet, which won assembly approval on 5 June, is heavily weighted in favor of the Party of Democracy and Social Progress, the new party sponsored by the strongly anti-Communist Committee for Defense of National Interests (CDNI). General Phoumi, leader of the CDNI and the minister of defense, is probably the real power in the government. Former Premier Phoui's party of old-line politicians has only minor representation in the cabinet. The new government, while reiterating Laos' pose of neutrality in international affairs, is expected to push repressive measures against local Communists.

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W 10
Turkey: The atmosphere in Ankara continues tense, with an air of anxiety and concern evident both within and outside the present provisional government. Foreign Minister Sarper has told American officials that the nation's internal security forces are being screened for unreliable elements, that the army is fully needed to protect the country, and that the government therefore is considering replacing the Turkish brigade in Korea by merely a token force.

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Saudi Arabia: King Saud, in a move certain to increase frictions between the Saudi Government and the Arabian-American Oil Company (Aramco), has granted two of his sons a 40-year concession for the construction and operation of an oil refinery in Jidda. The private company which they are forming is to have exclusive rights for the transport, refining, and marketing of oil in the western region of the country. At present about half of Aramco's sales of petroleum products in Saudi Arabia are in this part of the country. Aramco officials have already conveyed an initial protest to the King that establishment of an exclusive marketing area for this new company is in conflict with the terms of Aramco's own concession agreement.

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Possible South Korean Cabinet Split

There are indications that a rift may be developing between South Korean acting Chief of State Huh Chung and Defense Minister Yi Chong-chan because of Huh's tendency to act without consulting the cabinet. Yi proffered his resignation on 1 June in protest against Huh's unilateral action in allowing former President Rhee to flee the country. Yi reportedly also was angered by Huh's failure to consult the cabinet prior to appointing retired General Chong Il-kwon ambassador to the United States. Yi informed the American naval attaché that in the former instance the entire cabinet sided with him and all resented Huh's unilateral action.

Huh, presumably recognizing that Yi's resignation could weaken army support for the government, reportedly asked the defense minister to reconsider. Yi enjoys a reputation for integrity and honesty and seems to have a considerable following, particularly among the younger officers.

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New Laotian Cabinet Confirmed by National Assembly

Premier Tiao Somsanith's government, which was invested by the Laotian National Assembly on 5 June by an overwhelming margin, is heavily weighted in favor of the Party of Democracy and Social Progress (PDSP)--the party recently created by the Committee for Defense of National Interests (CDNI). Former Premier Phoui's Rally of the Lao People (RLP) has received only one post, the relatively minor justice portfolio, which will be held by Phoui's brother, Ngon Sananikone. The rest of the 13-man cabinet, except for two or three lesser appointees who could be classed as "independents," is made up of PDSP members. Despite some weak spots, the new cabinet appears to be one of the abler ones in Laos' post-independence history; its viability will largely be determined by the ability of Somsanith and Phoumi to work together.

Brigadier General Phoumi, the most powerful of the CDNI leaders, heads the Defense Ministry, the same position he held in the recently resigned caretaker government. Another CDNI leader, Khampan Panya, is the foreign minister, as he was in the caretaker government and in the Phoui government prior to the CDNI-RLP split last December. Somsanith will act as his own interior minister, a post for which he is well suited in view of his past experience as national police chief and because of his more intimate knowledge of village-level problems than most of his colleagues. There are also signs he may personally undertake the reorganization of the government's administrative structure.

Perhaps the most noteworthy of the independents is Touby Lyfoung, leader of the Meo tribal minority group. His appointment as secretary of state for information may encourage the minority groups, which comprise nearly half of Laos' population, to believe that the new government will take a greater interest in their problems than did previous governments.

The Somsanith government can be expected to push repressive measures against local Communists and perhaps to make more vigorous efforts than previous regimes to extend the central government's control in the remoter areas of the country. Internationally,

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it will probably not change Laos' pose of neutrality. This will be especially true in the early months of its tenure, when it will be anxious to assuage the fears of Laos' friends that it might provoke the Pathet Lao insurgents and their mentors in Hanoi and Peiping.

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Turkish Situation Tense

The new regime in Turkey is beginning to show indecision and anxiety as it tackles some of the more complex aspects of assuming civil authority. The National Unity Committee is finding it necessary to modify some of its earlier concepts of government operation. Col. Alatli, as official spokesman for the National Unity Committee, described it as being the replacement for the Grand National Assembly, with authority to change cabinet ministers and pass laws.

The atmosphere in Ankara is described by American military representatives as "quite tense," with troops armed with automatic weapons still posted at major buildings and patrolling the streets. There is apparently considerable dissatisfaction both within and outside the government. Some top military officers are becoming restive under the relatively junior group composing the National Unity Committee. The provisional government is also apparently under increasing pressure from vengeful elements of the populace, including young military and some Turkish intelligentsia. The pressure of public opinion may force judicial action against members of the former government before elections. It is also becoming more likely that the provisional government will find it difficult to relinquish the reins of government as early as it had planned. The military may be unwilling to return power to civilian authority.

The foreign minister informed Ambassador Warren on 3 June that the entire Turkish Army is needed to take the place of the National Police and Gendarmerie, which are being reorganized and screened, and to protect the country. He said the provisional government proposed for this reason that the Turkish brigade in Korea be returned this summer at the end of its tour and replaced with a token force of about 30 soldiers. Warren views this proposal as a symptom of the regime's insecurity and uneasiness.

The ambassador believes the general air of uneasiness indicates that the revolution has not developed as expected and that

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a spirit of revenge is growing which could completely vitiate early promises of fair elections and trials for those accused.

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[REDACTED] The embassy remains of the opinion, however, that the Turkish populace is willing to give the new regime a chance. It views as encouraging the way in which government leaders are tackling many problems, and notes that civil servants seem more relaxed and willing to work under the new ministers. [REDACTED]

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Saudi King Gives Sons Oil Refinery Concession

King Saud has granted two of his sons a 40-year concession to build and operate an oil refinery in Jidda. The private company which they are forming is to have exclusive rights to transport, refine, market, import, and export oil in the western part of Saudi Arabia.

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Officials of the American-owned Arabian-American Oil Company (Aramco), already engaged in several long-standing disputes with the Saudi Government, feel that the establishment of an exclusive marketing area for this new company is in conflict with Aramco's own concession agreement. At present about half of Aramco's sales of petroleum products in Saudi Arabia are in this western part of the country. Moreover, the Aramco refinery at Ras Tanura has considerable excess capacity.

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Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

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Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

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Commandant, United States Marine Corps

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